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| **From:** | Stan Sokolowski <ssokolowski@cifc.com> |
| **To:** | Stan Sokolowski <ssokolowski@cifc.com> |
| **CC:** | |
| **Date:** | Tue, 2/24/2015 6:45:13 PM |
| **Subject:** | Daily Update |

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Quote of the Day

"When you facts up against emotion, emotion always wins the argument" – John Sumpf

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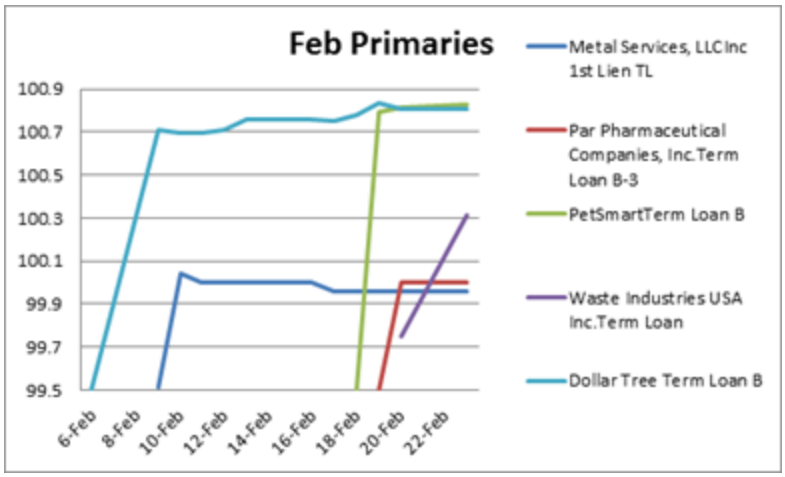
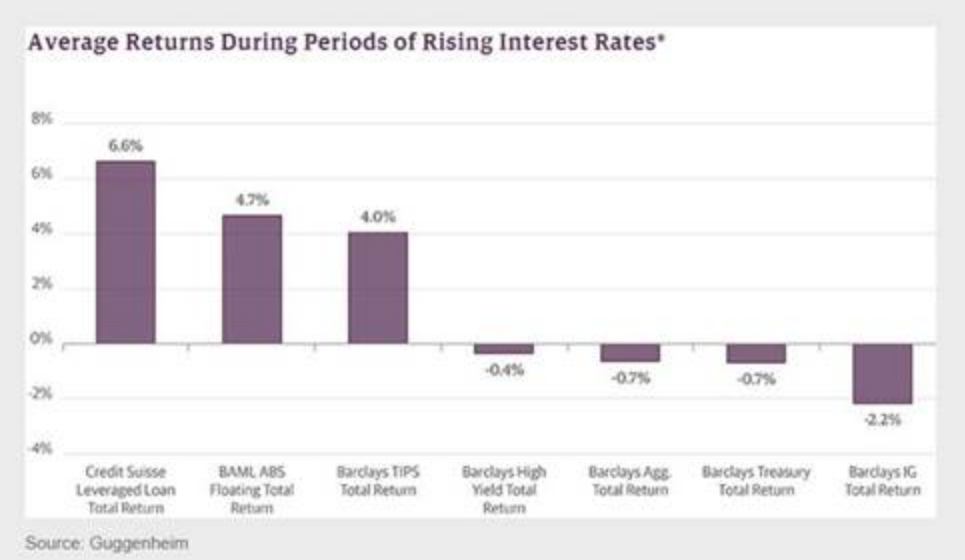
- It is another quiet (and cold) morning as investors await Janet Yellen's senate testimony later today (Draghi is also speaking later). There is some chatter in morning notes that she might lean a bit hawkish (but remain data dependent). Expect no material change after the initial consternation of the water cooler wizards. We'll see. Markets where basically unch'd yesterday in anticipation. Headlines today include the EU commission accepting Greece's "list" of reform proposals as "sufficiently comprehensive" (that was easy…). Maybe it will quiet down for a bit [?]. The banks are in the news (again). This time they are being scrutinized for possible precious-metal price rigging (more "taxes" to be paid…). Also, JPMorgan will institute a fee, for certain non-retail customers, on cash deposits held at the bank (say what?...), Home Depot beat (poor guys remodeling), Toll beat (rich guys buying expensive houses) and Macy's beat. All remains good and, to quote JPMorgan, "the market seems very void of controversy at the moment" (where's the ambush?). Eminis: -. 10 year: 2.08%

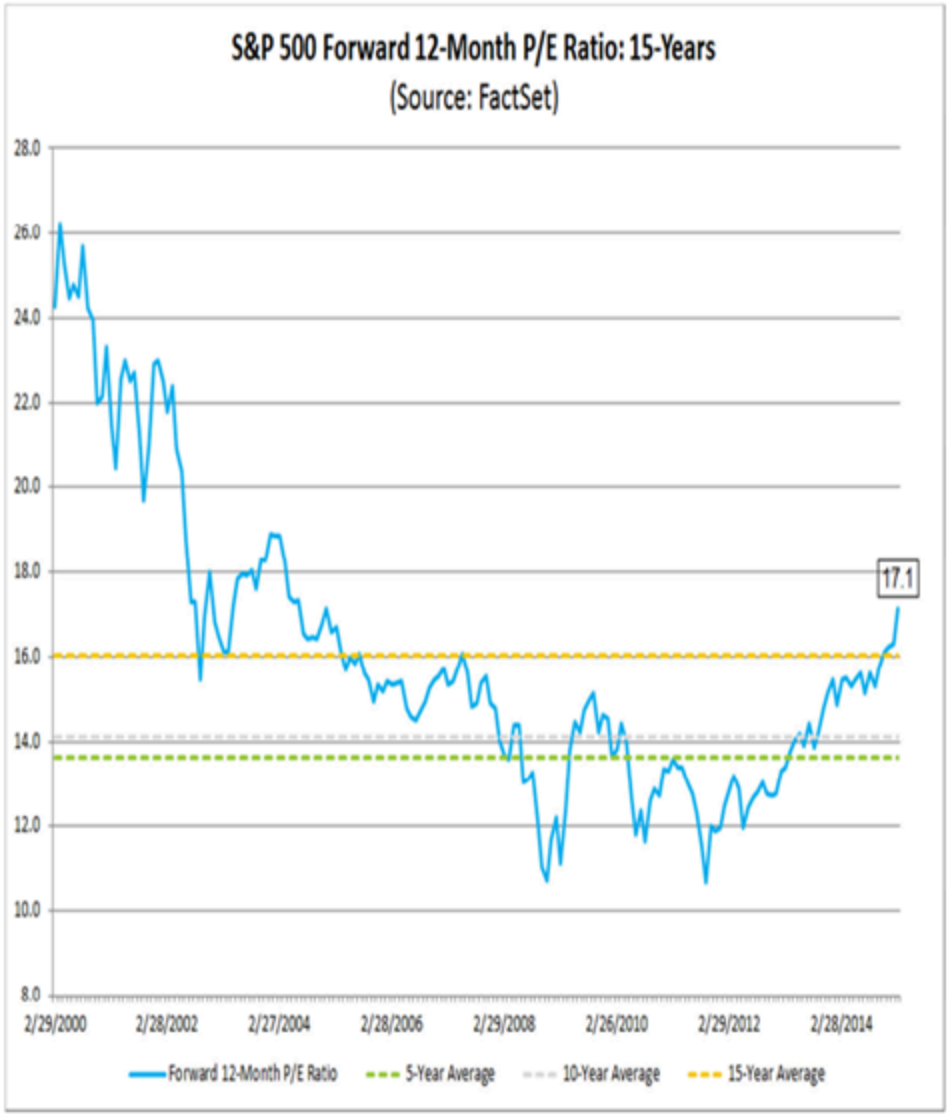
- Data: CaseShiller and PMI later this morning.

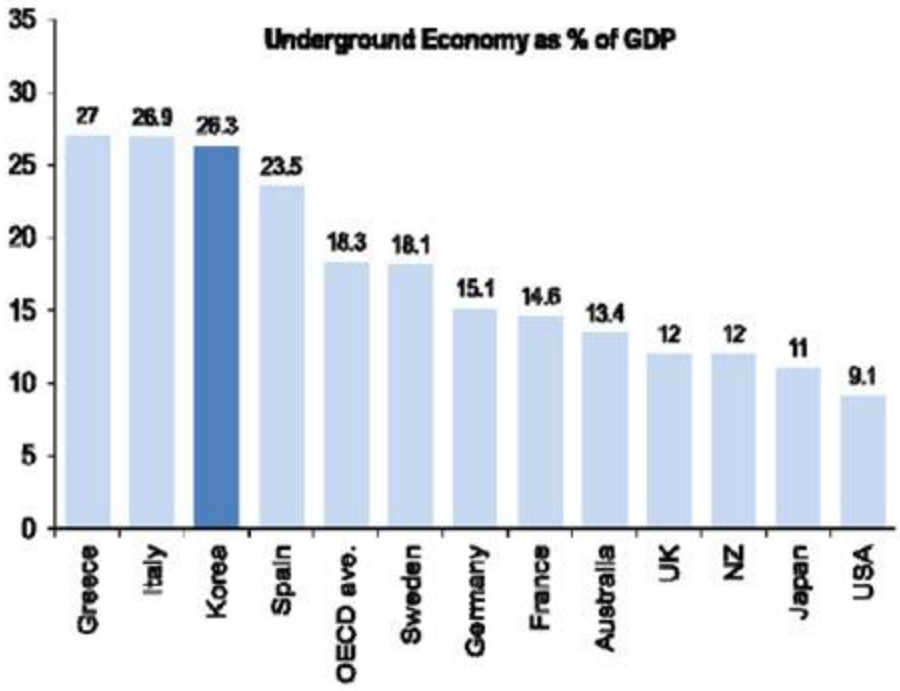
- Credit: The JPMorgan HY conference continues to have participants away from their desks. Loans are quiet and generally unch'd. Supply remains muted while retail outflows subside and CLO formation continues (we are also hearing about SMA money being put to work). The "beta" rally we have had this month appears to be tiring. In CLO secondary land, dealers who have been light on inventory are looking for bonds. New issue price action in February:




- Charts of the Day:

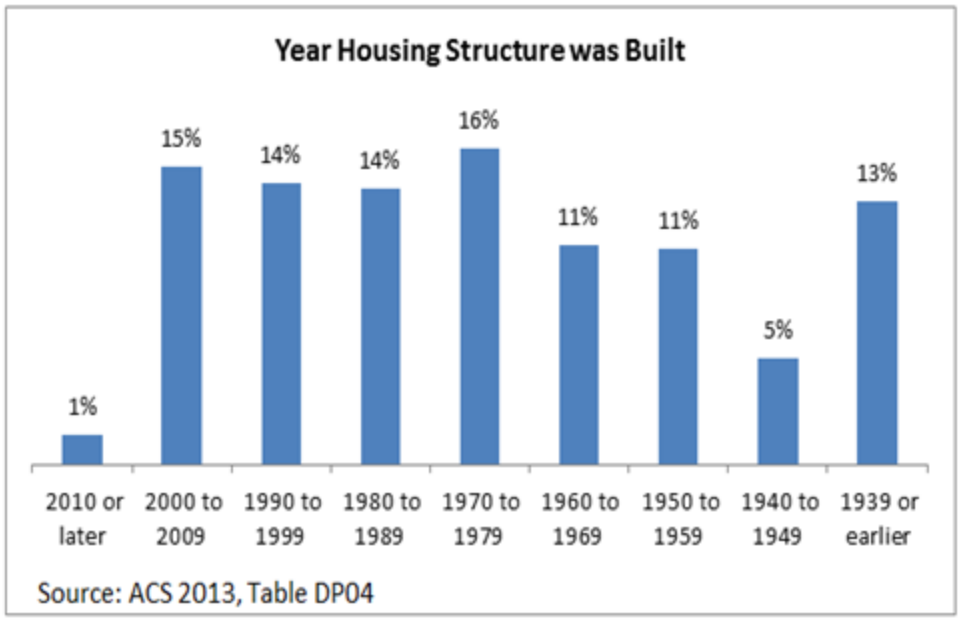



S&P 500 Forward 12-Month P/E Ratio: 15-Years
(Source: FactSet)
28.0
26.0
24.0
22.0
20.0
18.0
16.0
14.0
12.0
10.0
8.0
17.1
2/29/2000
2/28/2002
2/27/2004
2/28/2006
2/29/2008
2/26/2010
2/29/2012
2/28/2014
Forward 12-Month P/E Ratio
5-Year Average
10-Year Average
15-Year Average




Source: The Institute for the Study of Labor, Morgan Stanley Research

I think this is for the United States only




- Other:
    - True. http://www.wsj.com/articles/robert-e-rubin-the-search-for-a-monetary-policy-wizard-and-political-moral-hazard-1424734104?mod=rss_opinion_main

- HY: 107 1/8 (-)
- IG: 63 3/16 (-3/16)
- CSSLI: 1.17% /mtd / 1.43% ytd

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